



J. TYLER McCAULEY
AUDITOR-CONTROLLER

COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

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December 2, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE ORDINANCE AMENDING THE QUARTERLY AUDITS ORDINANCE
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve, introduce, waive reading, and place on your Board's agenda for adoption the attached ordinance amending Title 2, Chapter 2.10.070 *Quarterly Audits* of the Los Angeles County Code.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In 1993, pursuant to California Government Code provisions, your Board adopted Chapter 2.10.070 *Quarterly Audits* of the County Code. California Government Code Section 26920(b) requires quarterly reviews and an annual audit of the assets in the County Treasury. The audit must express an opinion whether the Treasurer's statement of assets is presented fairly and in accordance with Generally Accepted Accounting Principles. However, County Code Chapter 2.10.070 does not allow the same flexibility as the Government Code concerning who conducts the annual audit. In addition, County Code 2.10.070 currently refers to certain sections of the Government Code (i.e., 26921 and 26923) that are no longer applicable. Accordingly, we recommend that your Board adopt the attached updated ordinance drafted by County Counsel.

Implementation of Strategic Plan Goals

The recommended action is consistent with the Department's principles to safeguard the County's financial integrity and ensure compliance with fiduciary responsibilities and professional mandates.

"To Enrich Lives Through Effective and Caring Service"

FISCAL IMPACT/FINANCING

Not applicable.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In 1993, pursuant to California Government Code provisions, your Board adopted section 2.10.070 *Quarterly Audits* of the County Code. California Government Code Section 26920(b) requires the auditor to at least annually perform or cause to be performed an audit of the assets in the County Treasury. However, County Code section 2.10.070 does not allow the same flexibility as the Government Code regarding who conducts the annual audit. In addition, County Code 2.10.070 currently refers to certain Government Code provisions (i.e., 26921 and 26923) that have been repealed. Accordingly, the recommended action will conform the County Code to existing Government Code provisions.

The accompanying ordinance was drafted by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORTS

Not applicable.

CONCLUSION

Please return one adopted copy of this letter to the Offices of the County Counsel, Auditor-Controller and the Chief Administrative Office.

Very truly yours,

J. Tyler McCauley
Auditor-Controller

JTM:MMO:TK
Attachments

c: David E. Janssen, Chief Administrative Officer
Violet Varona-Lukens, Executive-Officer, Board of Supervisors
Mark J. Saladino, Treasurer and Tax Collector